

Exhibit 3



U. S. Agency For International Development
Regional Center For Southern Africa
Plot No. 14818 Lebatlane Road
P.O. Box 2427
Gaborone, Botswana
Tel: +267 392-4449 Fax: +267 392-4404

Mr. John J. Dumm
Senior Vice President
Pathfinder
Nine galen Street, Suite 217
Watertown, MA 02472
USA

February 7, 2005

Subject: Cooperative Agreement Number: 656-A-00-05-00028-00

Dear Mr. Dumm:

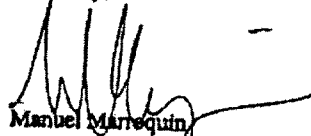
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the U.S. Agency for International Development (USAID) hereby awards to Pathfinder (hereinafter referred to as the "Recipient"), the sum of \$1,499,945.00 which we hereby obligate \$515,100.00 to provide support for a program in response to the increased use of Child Survival and Reproductive Health Services in Target Areas as described in the Schedule of this award and in Attachment 2, entitled "Program Description."

This award is effective and obligation is made as of the date of this letter and shall apply to expenditures made by the Recipient in furtherance of program objectives during the period beginning with the effective date and ending January 31, 2008. USAID will not be liable for reimbursing the Recipient for any costs in excess of the obligated amount.

This award is made to the Recipient on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 (the Schedule), Attachment 2 (the Program Description), and Attachment 3 (the Standard Provisions), all of which have been agreed to by your organization.

Please sign the original and all enclosed copies of this letter to acknowledge your receipt of the award, and return the original and all but one copy to the undersigned.

Sincerely,



Manuel Marroquin
Regional Agreement Officer

Attachments:

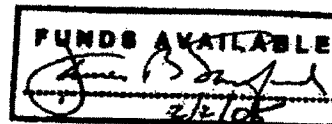
- A. Schedule
- B. Program Description
- C. Standard Provisions

ACKNOWLEDGED

BY:

TITLE: SENIOR VICE PRESIDENT

DATE: FEB. 23, 2005



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The Recipient shall submit the original and one copy of each quarterly and annual performance report to the Cognizant Technical Officer.

3. Final Report

A Final Report shall be submitted within 90 days of the end of the project. The Final Report shall stand in lieu of a quarterly performance report for the last quarter of project implementation. The Recipient shall submit the original and one copy to USAID/Mozambique, the Cognizant Technical Officer, at JAT Complex, Rua 1231, No. 41, Bairro Central "C", Maputo, Mozambique, and one copy to USAID Development Experience Clearinghouse, ATTN: Document Acquisitions, 1611 N. Kent Street, Suite 200, Arlington, VA 22209-2111 (or e-mail: docsubmit@dec.cdie.org).

The final performance report shall contain the following information:

- a. A narrative, not to exceed 20 pages, summarizing achievements, progress, problems, and lessons learned during the project.
- b. Cumulative data for the relevant Mandatory Program Monitoring Indicators.
- c. Report on actual progress compared with the approved implementation schedule and output targets.
- d. Success stories as appropriate, each not longer than one page, which demonstrate project success in changing the lives of beneficiaries.
- e. Additional relevant information as appropriate, submitted in annexes.

A.6 SUBSTANTIAL INVOLVEMENT

It is understood and agreed that USAID will be substantially involved in the implementation of this Award. The USAID Cognizant Technical Officer, shall provide the following:

1. Approval of the recipient's Implementation Plan or Annual Performance Plan
2. Approval of specified key personnel
3. Agency and recipient collaboration or joint program implementation

A.7 KEY PERSONNEL

| NAME | POSITION |
|-----------------------|------------------|
| Luc Van Der Veken | Project Director |
| Tereza Victorino | RH Advisor |
| Ana Gregoria Mavundia | CH Advisor |
| Emanuel Jesus Bomba | CM Advisor |

A.8 INDIRECT COST RATE

Pending establishment of revised provisional or final indirect cost rates, allowable indirect costs shall be reimbursed on the basis of the following negotiated provisional or predetermined rates and the appropriate bases:

| Description | Rate | Base | Type | Period |
|-------------|------|------|------|--------|
| Overhead | 17% | 1/ | 1/ | 1/ |

1/Base of Application: Total direct costs excluding bulk commodity (i.e. any single procurement action greater than \$250,000.00 for tangible goods purchased for distribution to third party recipients, to include, but not

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PROGRAM DESCRIPTION

I. EXECUTIVE SUMMARY

With eight years of program implementation experience in Mozambique, Pathfinder is well positioned to rapidly implement activities that will assist the Government of Mozambique (GOM) and USAID/Mozambique achieve strategic objective (SO) *SO8: Increased Use of Child Survival and Reproductive Health Services in Target Areas*. Pathfinder aims to strengthen the capacities of the public sector health system, non-governmental organizations (NGO), community based organizations (CBO) and other civil society partners, to increase utilization of, access to, and demand for maternal and child survival and reproductive health services in Maputo Province. With special attention on at-risk and underserved populations, Pathfinder will work closely with the Maputo Provincial Health Directorate (DPS) and the Manhica District Health Directorate (DDS) to improve the quality of services and to implement an integrated community-based, lifecycle approach that focuses on the cross-cutting themes of capacity building, gender, and full ownership by implementing partners.

The GOM's current Health Sector Strategic Plan (PESS) provides strategies and guidelines for managing and developing health sector programs within the 5-year plan of the government. The health components of USAID's 2004-2010 Country Strategic Plan for Mozambique reflect PESS priorities; the new Child Survival and Reproductive Health (CS/RH) program addresses three of its fundamental interventions: strengthening health care provision; improving individual and community health; and advocacy for appropriate health policy, support, and management.

Pathfinder anticipates providing technical assistance (TA), training and support to the Manhica DDS, the Maputo DPS and key NGO, CBO or association partners whose reach includes Manhica. While undertaking efforts to improve the quality of services and strengthen management capacity of the public sector, support will be provided to communities and civil society partners to build demand for and linkages to services. Support to the public sector will contribute mainly to IR1, *Increased access to quality CS/RH services*, while support to civil society groups will contribute to both IR 1 and IR 2, *Increased demand at community level for CS/RH services*.

Guiding Principles: *In the structure of the project, as well as the design of individual interventions, Pathfinder will place capacity building and sustainability at the forefront. Care will be taken to ensure that the activities supported are not isolated, short-term efforts, but rather, that they become building blocks for continued, quality CS/RH programming. In this spirit, every effort will be made to integrate the project office as closely as possible with the Manhica DDS. Interventions shall be extensions of DPS and DDS plans, while also ensuring coherence with national policies and plans. Finally, all efforts will be linked to allow the public sector to play an appropriate role in supporting community-based health interventions, such that building demand and improving access to quality services become integrated, mutually reinforcing activities.*

The entire population of Manhica District will be targeted for demand generation activities, as well as to benefit from improved access to quality services. While outcomes will largely be measured only in the focus district of Manhica, by linking with and supporting provincial level health systems as well, the impact of Pathfinder's synergistic activities will extend well beyond Manhica.

II. CURRENT ACTIVITIES

Pathfinder began implementing family planning/reproductive health (FP/RH) programs in Mozambique in 1997 and is now the lead TA provider in the area of adolescent sexual and reproductive health (ASRH). Pathfinder supported programs address governmental and NGO capacity building; multisectoral coordination; advocacy for youth involvement and youth friendly programming; and gender awareness and equity as a fundamental component of all activities.

Pathfinder's early work in Mozambique was supported through USAID funding. Working in close cooperation with the MOH at national, provincial, and district levels, and in partnership with two NGO sub-grantees AMODEFA and SALAMA, Pathfinder focused its efforts in three northern provinces (Nampula, Zambezia, and Niassa). The program provided TA to implementing partners to improve access, availability, use, and quality of MCH/RH services. TA was also provided to expand/improve RH and MCH interventions by PVOs and international NGOs. Organizational development of NGO sub-grantees was at the center of program design, as was a focus on ASRH, Community Based Distribution/Services (CBD/CBS), integrated services, quality of care, infection control, FP, and post-abortion care.



USAID | MOZAMBIQUE

FROM THE AMERICAN PEOPLE

CERTIFICATIONS, ASSURANCES, AND OTHER STATEMENTS OF APPLICANT/RECIPIENT¹

COMPLIANCE WITH STANDARD PROVISIONS

The applicant/recipient certifies compliance as applicable with the following standard provisions entitled "Condoms" and "Prohibition on the Promotion or Advocacy of the Legalization or Practice of Prostitution or Sex-Trafficking" that have been included in the referenced agreement.

i. CONDOMS (ASSISTANCE) (JUNE 2005)

Information provided about the use of condoms as part of projects or activities that are funded under this agreement shall be medically accurate and shall include the public health benefits and failure rates of such use and shall be consistent with USAID's fact sheet entitled, "USAID: HIV/STI Prevention and Condoms. This fact sheet may be accessed at: http://www.usaid.gov/our_work/global_health/aids/TechAreas/prevention/condomfactsheet.html

ii. PROHIBITION ON THE PROMOTION OR ADVOCACY OF THE LEGALIZATION OR PRACTICE OF PROSTITUTION OR SEX TRAFFICKING (ASSISTANCE) (JUNE 2005)

(a) The U.S. Government is opposed to prostitution and related activities, which are inherently harmful and dehumanizing, and contribute to the phenomenon of trafficking in persons. None of the funds made available under this agreement may be used to promote or advocate the legalization or practice of prostitution or sex trafficking. Nothing in the preceding sentence shall be construed to preclude the provision to individuals of palliative care, treatment, or post-exposure pharmaceutical prophylaxis, and necessary pharmaceuticals and commodities, including test kits, condoms, and, when proven effective, microbicides.

(b) Except as noted in the second sentence of this paragraph, as a condition of entering into this agreement or any subagreement, a non-governmental organization or public international organization recipient/subrecipient must have a policy explicitly opposing prostitution and sex trafficking. The following organizations are exempt from this paragraph: the Global Fund to Fight AIDS, Tuberculosis and Malaria; the World Health Organization; the International AIDS Vaccine Initiative; and any United Nations agency.

¹ Rev. 03/27/03

(c) The following definition applies for purposes of this provision: Sex trafficking means the recruitment, harboring, transportation, provision, or obtaining of a person for the purpose of a commercial sex act. 22 U.S.C. 7102(9).

(d) The recipient shall insert this provision, which is a standard provision, in all subagreements.

(e) This provision includes express terms and conditions of the agreement and any violation of it shall be grounds for unilateral termination of the agreement by USAID prior to the end of its term.

10. SIGNATURE

By signature hereon, or on an application/proposal incorporating these Certifications, Assurances, and Other Statements of Applicant/Recipient, the applicant/recipient represents that: (a) they are accurate, current and complete; (b) the person signing below is authorized to sign on behalf of the applicant/recipient; and (c) the applicant/recipient is aware of the penalty prescribed in 18 U.S.C. 1001 for making false statements in applications/proposals.

Solicitation No. (If Applicable)
APS No. 656-04-009

Application Title
Increased Use of Child Survival and Reproductive Health Services in Target Areas - Mozambique

Application No. (If Applicable)
Cooperative Agreement No. 656-A-00-05-00028-00

Date of Application/Proposal
APS 656-04-009 Proposal Submitted October 5, 2004; CA dates are 02/07/05-01/31/08

Name of Applicant/Recipient
Pathfinder International

Typed or Printed Name and Title
Beverly M. Armstrong, Vice President Finance and Administration

Signature Beverly M. Armstrong Date November 16, 2005
